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S E C R E T SECTION 01 OF 04 NEW DELHI 000647

SIPDIS

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TAGS: PREL PGOV PTER ECON AF PK IN

SUBJECT: SCENESETTER FOR SPECIAL REPRESENTATIVE HOLBROOKE  
AND CJCS ADMIRAL MULLEN

REF: NEW DELHI 601

Classified By: Charge d'Affaires Steven White for Reasons 1.4 (B and D)

¶1. (C) Embassy New Delhi warmly welcomes you both back to India. Since your last visit, the political season has entered its final phase, with the political establishment fixated on elections in April-May that will deliver a new government in June. Despite hot campaign rhetoric and political turmoil in Pakistan, terrorism remains only a side issue in the elections. Indians interpret the two commando-style attacks in Lahore in March as further evidence that Pakistan's civilian government is unable to control the extremists, even as they underscore their -- and our -- contention that militants pose a graver threat to Pakistan than do Indian troops across the border. Prime Minister Singh demands "visible" and "effective" action from Pakistan to bring the perpetrators of the Mumbai attacks to justice and to dismantle terrorist infrastructure before India will consider resuming the Composite Dialogue. We expect no forward movement until after the elections. Indians welcomed the new Afghanistan-Pakistan strategy, which they view as offering more resources for Afghanistan and Pakistan in exchange for good behavior, but they remain skeptical that Pakistan will show results and wary about what will be asked of India. Indian officials remain allergic to the suggestion that India should adjust its force posture along its western border and scornful of negotiations with moderate Taliban. The defense relationship is on a strong growth trajectory, despite a lull during the election season, though lack of an agreement on End Use Monitoring (EUM) has become an irritant.

The composition of the new government will be the most significant variable in determining whether the growth in our relationship will continue.

India Fixated on Elections

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¶2. (C) The political season has entered its final phase with the political establishment now fixated on the five rounds of polling from mid-April to mid-May that will yield a new Parliament and the next government in June. The rhetoric is heating up, but despite the Mumbai attacks and political turmoil in Pakistan, terrorism remains only a side issue.

Urban elites increasingly worry that they are no longer safe from terror, but Pakistan-sponsored terrorism is not a top concern for the average voter. The most discernible political manifestation has been in the opposition Bharatiya Janata Party's (BJP) claim to offer "strong leadership," a swipe at the ruling Congress Party-led United Progressive Alliance (UPA) coalition government's preference for a diplomatic strategy following the Mumbai attacks.

¶3. (C) It remains impossible to predict which party will emerge on top in the national elections, but it is safe to say that whichever party forms the government will have to rely on a diverse coalition with the smaller regional parties. While both the BJP and the Congress support a closer U.S.-India relationship, their ability to move forward aggressively will be constrained by the disproportionate power of smaller parties and their narrower agendas that frequently do not extend to foreign policy issues. The worst scenario for the U.S.-India relationship would be one in which a "Third Front" forms a government that excludes both the Congress Party and the BJP, allowing the Communist parties to wield great influence in a coalition. The Composite Dialogue and back channel negotiations with Pakistan that began under the BJP and continued under the UPA, until their suspension in the wake of the Mumbai attacks, would face an uncertain future under a government that lacked the foreign policy credibility of the two national parties.

Mumbai Attack Investigation Drags On

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¶4. (C) Although the initial anger over the November Mumbai attacks may be less visible now, India has shown no signs of letting Pakistan off the hook. Prime Minister Singh this past week has reasserted that the Composite Dialogue cannot resume until Islamabad takes "visible" and "effective" action to bring the perpetrators of the Mumbai attacks to justice and to dismantle terrorist infrastructure. The Indian government responded to Pakistan's "30 questions," but has not seen the Pakistani government take decisive action in bringing the Mumbai perpetrators to justice. India continues to doubt the willingness of Pakistan's military leaders and the ability of the civilian leaders to take on Lashkar-e-Tayiba (LeT), and assesses that Pakistan will make only token moves to rein in the LeT and its affiliates as it waits for pressure from the international community to subside. In Mumbai, the Kasab hearing has been postponed once already and risks further delays due to lawyer intimidation and the Indian government's extreme caution in handling the case. Preliminary hearings may begin as soon as April 8. India's perception of a laggardly response from the Pakistani government to the Mumbai attacks has only strengthened the voices of those who doubt its intention to pursue the investigation to conclusion.

Pakistan: Indians Feel Their Views Vindicated by Pak Turmoil

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¶5. (C) The two commando-style attacks in Lahore, first on the Sri Lankan cricket team and then on the police training center, have been interpreted by Indians as further evidence that Pakistan's civilian government is unable to control the extremists, even as they underscore their -- and our -- contention that militants pose a graver threat to Pakistan than Indian troops across the border. Foreign Ministry officials believe that any effort to stabilize Pakistan depends on reform of Pakistan's military establishment, which they assert has steadily gained power at the expense of the civilian government.

¶6. (C) Indian officials emphatically reject suggestions of a link between problems in the Afghanistan-Pakistan border region and the India-Pakistan relationship, including the

dispute over Kashmir. Indians insist that the Composite Dialogue process and back-channel negotiations with Pakistan were making considerable progress toward resolving the Kashmir problem until they were disrupted by the Mumbai attacks. There will be no interest in resuming the Composite Dialogue until after elections, but you will find an appreciation of the importance in principle of the Composite Dialogue process as the best means of making progress on Kashmir. Some editorialists have suggested that India consider resuming the travel and trade components of the Composite Dialogue, but to hold out for action to dismantle terrorist infrastructure before resuming the full Dialogue. Indians may feel the need to reiterate to you that they are capable of handling their problems with Pakistan directly without outside involvement.

¶7. (C) Indians reject the suggestion that India's force posture is determined by the need to defend Kashmir, but rather by threats to Indian security from a hostile Pakistan and its support of cross-border terrorism. They insist that any change in India's force posture prior to an election, especially in response to foreign demands, would be impossible. Further complicating this dynamic, this year's Spring thaw is likely to bring a reversal of the recent trend of decreased infiltrations along the Line of Control. Broad participation by Kashmir-based political parties in the upcoming general election will be a target for insurgents.

Afghanistan: Indians Welcome Strategic Review

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¶8. (C) Indians have shown considerable interest in the roll-out of the Afghanistan-Pakistan Strategic Review, but also wariness about what will be asked of India, especially during an election. As reported reftel, the President's March 27 announcement of the new U.S. strategy for Afghanistan and Pakistan received extensive news and editorial coverage in India. Indians are largely supportive of the strategy and welcomed the offer of more resources for Afghanistan and Pakistan in exchange for good behavior, but they are skeptical that Pakistan will show results. The President's remark that the U.S. will not "provide a blank check" was seen as a warning to Islamabad and important vindication of what India has been saying all along about Pakistan's lack of commitment to meaningful change. The Administration's intent to forge an international stakeholders' contact group struck the right chord. At the same time, the President's remark that the U.S. must pursue constructive diplomacy with both India and Pakistan was seen as more worrisome evidence of plans to meddle in the Kashmir problem. One columnist lamented that de-hyphenation so welcomed by India in recent years is giving way to dual hyphenation: "the link the Obama administration is making between the ongoing military instability on the Afghanistan-Pakistan border and the unsettled relationship between New Delhi and Islamabad."

¶9. (C) Indian policy makers are also concerned about the direction of U.S. policy regarding President Karzai's reelection and negotiations with Taliban. India has invested heavily in Karzai, who has had long-standing personal ties to India dating back to his four years of post-graduate studies in Himachal Pradesh after the 1979 Soviet invasion, and is not keen to abandon ship. Karzai has visited Delhi seven times since 2002; the last visit was in January of this year when Karzai came to express solidarity with India after the Mumbai attacks. Indian leaders view the Taliban as Pakistani proxies and are suspicious of negotiations with moderate insurgents, fearing that negotiations will permit their return through the back door. They are scornful of the concept of "good" Taliban, saying the notion is as incoherent as suggesting there are "good" terrorists.

¶10. (C) At the Shanghai Cooperation Organization meeting on

Afghanistan in Moscow, Ambassador S.K. Lambah called for Afghanistan to be admitted to the Organization. Lambah will also attend the NATO Ministerial in The Hague. Iranian National Security Advisor Saeed Jalili reportedly discussed Afghanistan with his Indian counterpart, M.K. Narayanan, on a one-day visit to Delhi March 28, during which he also called on Prime Minister Manmohan Singh.

The Defense Relationship

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¶11. (S/NF) The defense relationship is on a strong growth trajectory despite a variety of frustrations and the current lull during the elections season. While the Indian uniformed leadership of all three Services, and in particular the Indian Navy, appreciate their improving ties with the United States military, the civilian bureaucrats in the Ministries of External Affairs and Defense continue to complicate attempts to improve the nascent strategic partnership through bureaucratic inertia and recalcitrance. Since Chairman Mullen's December 2008 visit, there has been a rash of last minute cancellations, postponements and diminutions of high-level visits -- even those long-planned and U.S.-funded. Despite these frustrations, military-to-military contacts continue to be a strong foundation of our strategic partnership. We conducted the largest ground-forces/counter-terrorism centric combined exercise to date in February 2009, implemented an Improvised Explosive Devices/Bomb disposal Subject Matter Expert Exchange (SMEE) event in January 2009, and planned a China-threat SMEE for

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mid-April 2009. This quarter, India will play host to visits from the Commandant of the United States Coast Guard and the Commander of United States Pacific Command, in addition to your visit. We continue to seek opportunities for capacity-building, greater access and improved partnering through more-focused combined exercises, better-tailored subject matter exchange events, and more high-level visitor exchanges.

¶12. (C) Defense sales have risen from near zero in 2004 to over \$2.2 billion already in 2009, with prospects for further increases. Despite this potential, the sale of military equipment and training through the Foreign Military Sales (FMS) process has been halted pending agreement on End Use Monitoring (EUM). At a time when our defense relationship is otherwise beginning to flourish, the lack of an agreement on EUM has become an irritant. Should you have the opportunity, we ask that you convey the message that EUM is a requirement of U.S. law, has been accepted by over eighty other countries, and will have to be accepted by India if it desires to procure the state-of-the-art technology we are willing to share with them.

¶13. (C) The military leadership wants to meet with you both and offered to work behind the scenes to arrange for the three Service Chiefs to host a private luncheon, but were unable to get beyond the Ministry of External Affairs gatekeepers. Chairman of the Chiefs of Staff Committee-Chief of Naval Staff Admiral Sureesh Mehta, more than the other two Service chiefs, desires to engage with the United States on bilateral and regional security issues. Indian Chief of Army Staff General Deepak Kapoor and his principal staff officers are interested in learning first-hand and unfiltered about United States plans for Pakistan and Afghanistan. The Service Chiefs are unable to overrule the Foreign Ministry to gain access to you both during this visit, but Admiral Mullen does have a confirmed meeting with Admiral Mehta. The Foreign Ministry argues that Foreign Secretary Menon is a more appropriate interlocutor for Ambassador Holbrooke because it is the Foreign Ministry that leads on Afghanistan and Pakistan policy.

Your Meetings

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¶14. (SBU) India's politicians -- including Prime Minister Singh and the rest of the Cabinet -- are consumed with the election campaign. You both have a working breakfast with Ambassador S.K. Lambah, a round-table organized by Tarun Das, a working lunch with Foreign Secretary Shivshankar Menon, and a meeting with National Security Advisor M.K. Narayanan. Admiral Mullen has an additional meeting with Chief of the Navy Staff Admiral Sureesh Mehta.

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